

Message Text

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DRAFTED BY EB/OA/AVP:JMROBERTS:PMA
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FM SECSTATE WASHDC
TO AMEMBASSY LONDON PRIORITY
INFO AMCONSUL HONG KONG

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TAGS: EAIR, HK, UK

SUBJECT: FLIGHT OF NOMADS

REF: (A) HONG KONG 5674; (B) STATE 111973;
(C) HONG KONG 4516; (D) STATE 82903; (E) HONG KONG 3718
AND PREVIOUS

1. SUMMARY: NOMADS, AN AIR TRAVEL CLUB, WANTS TO LAND
IN HONG KONG ON MAY 20, BUT THE HONG KONG CIVIL AVIATION
DEPARTMENT (HKCAD) WILL NOT GRANT PERMISSION UNTIL
NOMADS ACQUIRES 150 MILLION DOLLARS LIABILITY INSURANCE.
THE REFTELS WERE REPEATED TO EMBASSY LONDON TO PROVIDE
ADDITIONAL BACKGROUND. THE BRITISH EMBASSY IN WASHINGTON,
WHO BECAME INVOLVED THROUGH A DIRECT APPEAL FROM NOMADS,
SUPPORTS OUR PROPOSED SOLUTION, WHICH IS TO ALLOW
NOMADS TO LAND AND TO ADDRESS THE OTHER ISSUES LATER.

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2. THE DEPARTMENT HAS BEEN FOR SEVERAL MONTHS SEEKING
CLARIFICATION FROM THE HKCAD REGARDING THE THIRD PARTY
LIABILITY INSURANCE REQUIREMENTS WHICH AIRCRAFT OWNERS
OR OPERATORS MUST POSSESS IN ORDER TO OBTAIN A PERMIT
TO LAND AT KAI TAK AIRPORT IN HONG KONG. THIS ISSUE
WAS ORIGINALLY BROUGHT TO OUR ATTENTION BY THE AIRPLANE

OWNERS AND PILOTS ASSOCIATION (AOPA) LAST FALL. AOPA

MAINTAINED THAT BEGINNING SOMETIME IN 1977 THEIR MEMBERS WERE REQUIRED BY HKCAD TO POSSESS AT LEAST 25 MILLION DOLLARS OF LIABILITY INSURANCE BEFORE THEIR APPLICATION TO LAND IN HONG KONG WOULD BE CONSIDERED. AOPA FOUND THIS REQUIREMENT UNREALISTICALLY HIGH AND HAS BEEN FIGHTING IT EVER SINCE. ALTHOUGH REF C INDICATES HKCAD HAS RELENTED, AOPA HAS NOT RECEIVED ANY INFORMATION TO THIS EFFECT.

3. WHILE ATTEMPTING TO RESOLVE THIS PROBLEM WITH THE HKCAD IN BEHALF OF AOPA, NOMADS, AN AIR TRAVEL CLUB, COMPLAINED TO THE DEPARTMENT THAT THEY WERE REQUIRED TO ACQUIRE 150 MILLION DOLLARS LIABILITY INSURANCE BEFORE THEIR LANDING PERMIT WOULD BE CONSIDERED. IT SEEMS THAT HKCAD BELIEVES THE NOMADS FLIGHT IS A "CHARTER" FLIGHT AND NOMADS THEREBY FALLS INTO HKCAD'S NON-SCHEDULED, "REVENUE" FLIGHT CATEGORY. REF D EXPLAINS THAT THE USG REGARDS THE NOMADS FLIGHT AS A PRIVATE, NON-SCHEDULED, NON-REVENUE OPERATION AND, THEREFORE, SHOULD BE SUBJECT TO THE SAME INSURANCE REQUIREMENTS AS AOPA'S MEMBERS.

4. EXPECTING THE SMOOTH LANDING PERMIT PROCESS EXPERIENCED WHEN THEY LAST FLEW INTO HONG KONG, NOMADS MADE HOTEL UNCLASSIFIED

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RESERVATIONS IN HONG KONG FOR THREE DAYS, ARRANGED TOURS, ALLOCATED FOR OTHER OPERATING EXPENSES AND OTHERWISE PREPARED TO TRANSIT HONG KONG ON A 30 DAY AROUND-THE-WORLD FLIGHT. CONSEQUENTLY, THEY WERE UPSET WHEN THEY LEARNED THAT HKCAD CONSIDERED THEM A "CHARTER" COMPARABLE TO ONE THAT MIGHT BE FLOWN BY A US AIRLINE, SCHEDULED OR NON-SCHEDULED, WHICH IS EXPRESSLY CERTIFICATED BY THE CIVIL AERONAUTICS BOARD TO PROVIDE CHARTER SERVICE. NOMADS BECAME INCENSED WHEN THEY LEARNED THAT THIS CATEGORIZATION WOULD REQUIRE THEM TO POST 150 MILLION DOLLARS INSURANCE, PARTICULARLY SINCE THE ADDITIONAL COST TO DO SO WOULD SIGNIFICANTLY INCREASE THEIR OVERALL OPERATING COSTS (WHICH ARE SHARED PRO-RATA BY THOSE ABOARD THE FLIGHT).

5. THE DEPARTMENT AND THE BRITISH EMBASSY IN WASHINGTON BELIEVE THE SOLUTION IS TO SEPARATE THE NOMADS LANDING APPLICATION FROM THE LARGER ISSUE OF THE STATUS OF AIR TRAVEL CLUBS AND, FOR REASONS IN PARA 3 ABOVE AND PARA 3 REF B, ALLOW NOMADS TO LAND IN HONG KONG ON THE DATE THEY REQUESTED (MAY 20) WITH THE 5 MILLION DOLLAR LIABILITY INSURANCE THEY POSSESS. THE QUESTIONS OF

INTO WHAT HKCAD CLASS OF AVIATION TRANSPORTATION AIR
TRAVEL CLUBS FALL, THE AMOUNTS OF INSURANCE, AND THE
APPARENTLY DISCRIMINATORY METHOD OF APPLYING THESE

INSURANCE REQUIREMENTS CAN BE ADDRESSED LATER. SINCE
HKCAD HAS DUMPED THE NOMADS CASE INTO THE LAP OF THE UK
DEPARTMENT OF TRADE, THE DEPARTMENT REQUESTS THE CIVAIR
ATTACHE CONTACT THE APPROPRIATE UK OFFICIALS IN THAT
ORGANIZATION AND OBTAIN APPROVAL FOR NOMADS TO LAND IN
HONG KONG ON MAY 20. VANCE

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